

# **The U.S. Army and Hungarian Holocaust Era Assets**

Prepared by the U.S. Army Center of Military History

## **EXECUTIVE SUMMARY**

In response to a draft report released on October 14, 1999, by the Presidential Advisory Commission on Holocaust Assets in the United States regarding the Hungarian Gold Train, Dr. Clayton Laurie of the U.S. Army Center of Military History conducted an investigation of this matter. Based on an examination and analysis of records held by the National Archives and Records Administration, this study, entitled The U.S. Army and Hungarian Holocaust Era Assets, seeks to place the events described by the Commission's report in a larger historical context and to examine the findings in more detail based on the evidentiary record.

The Center's research points out that the Gold Train had been under the control of Hungarian officials whose Army and government was currently at war with the United States. Moreover, it is evident that the train's leaders were attempting to reach Switzerland with no intention of surrendering to the allied armies. Numerous accounts document that various elements of the train were found in several different locations. Its contents included a broad mix of property looted from Jewish victims and property belonging to Hungarian fascists, many of whom accompanied the train; valuables taken from various Hungarian banks, museums, and other locations; and state property of all types, to include the Hungarian gold reserves. There were also great quantities of miscellaneous household goods and articles of common clothing. Evidence also exists indicating that the train had been looted many times before coming into American hands and that its contents had been repeatedly repacked and rearranged. Finally, we know that the Hungarian state monetary gold was removed by American forces in May 1945, shortly after the train was secured and transported to Frankfurt and then later returned to Hungary in 1946. The remainder of the contents were moved to Salzburg in July and provisionally declared to be ownerless or "unidentifiable" by lower ranking officers well before General Clark ever arrived in Austria.

Research in occupation records reveals that over 7,000 Hungarian claims were processed by U.S. Army offices in Austria and many items were returned to their owners when proof of ownership could be established. There is no evidence that any of the concerned goods were actually sold through the Army's Post Exchange system, although local Army officials did suggest such a course of action in order to raise funds for refugees from sales before certain items had significantly deteriorated, such as rugs and furs. There is also no indication that the Salzburg warehouse was beset by any significant thefts. The fact that the occupying authorities requisitioned some household goods is not contested. In fact, throughout Germany and Austria, requisitions of land, buildings, and property provided the quarters for the occupational forces and were in accord with international law. In each case, however, audit trails were maintained, Army claims offices remained busy regarding lost or damaged property (especially pertaining to real estate), and no evidence exists that any general took property home. Reports of survey were common with the military justice system investigating all known cases of outright theft.

Finally, the primary objective of the Army occupational forces in postwar Germany and Austria was the economic, political, and social rehabilitation of these wartorn regions. Given the massive physical destruction caused by the war, the critical food shortages of 1945-46, and the destruction of the civilian distribution systems, the marginal medical, sanitation, police and other services available, and the vast numbers of displaced persons that had to be aided, restitution activities may have been regrettably abbreviated. In the case of Hungary, which was considered a former belligerent power, the rise of the Communist regime by 1947 made U.S. officials reluctant to trust any organizations fronting for the new government in Budapest. The conduct of the U.S. Army in these matters was not perfect. American soldiers did tend to pick up things as they fought their way across Europe with many bartering food and other staples in the immediate postwar period for a variety of things. However, the more spectacular cases of theft prosecuted by Army authorities, such as the Hesse jewel case, were exceptions. It is irresponsible to try to tarnish the reputation of the entire Army and all its soldiers because of the malfeasance of a few -- or to make public derogatory generalizations that are known to be unsupported by hard evidence.

## **THE U.S. ARMY AND HUNGARIAN HOLOCAUST ERA ASSETS**

The history of the Second World War continues to attract as much popular and scholarly attention today as it did in the immediate postwar years, especially as new evidence surfaces around the world. Already the most written about subject in history, World War II will likely remain a topic of enormous interest for decades to come. With the publication of reports on looted gold, the activities of nations hitherto characterized as nonbelligerent states during the war, and with investigations into missing art and cultural treasures and other valuables looted by Nazi Germany, attention has now focused on the activities of states, institutions, and individuals that have never been examined before in such detail. The reports produced by national and a host of other international scholarly bodies have done a great deal to further our knowledge of the war. These careful, thorough, and objective efforts by qualified teams of scholars or individual historians are welcome and should be encouraged.<sup>1</sup>

In October 1999, the Presidential Advisory Commission on Holocaust Assets in the United States published a "Progress Report On: The Mystery of the Hungarian Gold Train." The report contained many allegations focusing on the U.S. Army in Austria at the end of the war in Europe and during the immediate postwar years. Most notable among the assertions were: 1) that the United States Forces Austria departed from the general policy of returning cultural assets to the country of origin; 2) the conduct of American forces in occupying Austria was less disciplined than that of the American forces occupying Germany; 3) American forces in Austria misappropriated so-called "unidentifiable"

property of Hungarian Jews found on the Gold Train; 4) refusal to allow leaders of the Hungarian Jewish community access to the Gold Train to identify the property; 5) high-ranking American officials took assets from the Gold Train for their own personal use; 6) assets from the Gold Train were sold through the Army Exchange; and 7) assets from the Gold Train were stolen outright.<sup>2</sup>

The report was released to the Associated Press and its allegations were accepted as fact and repeated in many newspapers throughout the United States and abroad. As newsmen elaborated on its contents, they questioned not only the Army's handling of looted property but also its general conduct as an institution in its role as an occupation power in postwar Europe.<sup>3</sup> This study seeks to examine these allegations in detail and arrive at a conclusion based on a more thorough inspection of the documentary evidence.

## **THE HISTORICAL CONTEXT**

In June 1945, Europe was a devastated continent on the brink of disaster. Nearly six years of war on three ground fronts, in addition to a strategic and tactical bombing campaign conducted by the United States and Great Britain, had left enormous areas of the continent, including nearly every major metropolitan area from the Bay of Biscay to the Ural Mountains, from the North European Plain to the southern tip of Sicily, severely damaged or in ruins. Civil authority, transportation and communications networks, public and private economies, education and legal systems, and general social structures were in

complete upheaval and disarray. According to one British official, Europe consisted of "180,000,000 people living in twilight."<sup>4</sup>

The physical destruction was nearly beyond comprehension and was one of the most obvious problems facing the victors. In Germany, according to the United States Strategic Bombing Survey, "3,600,000 dwelling units, approximately 20% of the total, were seriously damaged. The number made homeless aggregates 7,500,000," in addition to the some 300,000 German civilians killed and 780,000 injured. "The principal German cities," the report stated, were "largely reduced to hollow walls and piles of rubble." In some 50 cities, the proportion of destroyed or heavily damaged dwellings exceeded 40 percent.<sup>5</sup> Heavier air attacks, for example, had destroyed 55 to 60 percent of Hamburg leaving 60,000 to 100,000 dead and 750,000 homeless, and had destroyed 60 to 70 percent of Berlin.<sup>6</sup>

Although damage to Germany was more extreme, the physical destruction in Austria was also significant. The air war had caused considerable damage to the nation as a whole and "practically all of Austria's larger cities and many of the smaller population centers suffered war damage to varying degrees."<sup>7</sup> In Vienna, the location of 29 percent of Austria's prewar population, "the heavy bombing of the city by the AAF [U.S. Army Air Force] and the land assault by the [Soviet] Red Army which resulted in the city's capture, combined to destroy or damage too severely for occupancy 86,875 of 709,760 dwellings. An additional 28,000 dwellings were damaged to a lesser degree. With one-third of the prewar dwellings located in Vienna, the city's housing received approximately 42 percent of the damage and destruction done to all of Austria during the war."<sup>8</sup>

The transportation and communications infrastructure of Austria was heavily battered as well, both by strategic bombing and ground combat, compounding the problems caused by the physical damage to buildings. The nation's rail system was especially hit hard. "Of the prewar total of 3,680 miles of federal line trackage, about 41 percent was damaged. In addition, 36.5% of terminal and switch yard trackage, 43.5% of switches, and 25% of catenary had either been damaged or destroyed." Furthermore, "a total of 6,775,000 cubic yards of station buildings, train sheds, terminals, locomotive and car shops, control towers, and main buildings also had suffered damage." In most major urban areas, including Wels, Linz, Salzburg, Graz, Vienna, Bruck, St. Poelten, Krems, and Woergl, the rail switching yards had been 90 percent destroyed, while 60 percent of the freight and passenger cars, and 80 percent of all locomotives were unserviceable.<sup>9</sup> The road system of Austria, consisting of 3,790 miles of federal highways and 312 bridges of 20 or more meters in length, also suffered heavy devastation from bombing and artillery fire, with 10 percent of major bridges destroyed. Postal services were in a state of collapse, telephone services were nonfunctional, and the nation's most powerful radio transmitter was destroyed by the retreating Wehrmacht.<sup>10</sup>

The destruction and paralysis experienced by all of Austria at the national level was encountered by the 47,000 U.S. Army personnel eventually assigned to occupation duties there.<sup>11</sup> Of the 75,166 prewar dwellings in Salzburg, the largest city in the U.S. Zone of occupation, nearly nine percent were classed as destroyed or damaged, while in Upper Austria over 26,000 dwellings, or nearly 10.5 percent of the existing prewar number, were classified as totally destroyed or damaged.<sup>12</sup>

The physical destruction to Europe in general, and to Austria in particular, had a tremendous demographic impact. In addition to the 53 million who died in the war, tens of millions of others were uprooted by Nazi aggression and racial policies, being forced from their homes across national borders in complete disregard of family ties, property rights, and human dignity. These people, designated as displaced persons (DP), were eventually classified by the allied powers into five broad categories: United Nations displaced persons, which included survivors of the Nazi Holocaust against the Jews; ex-enemy displaced persons; German Reich citizens; Volksdeutsche or ethnic Germans, and refugees. Together, they represented an unprecedented human tragedy. Their presence throughout war torn Europe posed enormous difficulties for allied occupation forces and European governments seeking to rebuild. Nearly all DPs were homeless, penniless, property-less, hungry, and, in many cases, in ill health and dire need of either emergency or long-term medical care.<sup>13</sup> Compounding the DP problem were food shortages, which were especially severe in 1945 and 1946. American efforts to remedy these shortages were complicated by the needs of an ever-fluctuating number of mobile DPs and by the difficulties presented by severely war-damaged transportation, agricultural, and communications infrastructures.<sup>14</sup>

Often, as in the case of Austria, DPs had no where to go and no means to get there and thus, in the words of the United States Allied Commission Austria (USACA) official history, they “continued to eke out a miserable existence in Austria, a country unable either to help them or to absorb them, a country occupied by four great powers who cannot agree among themselves as to the ultimate fate of these unfortunate people. In short, the displaced persons are unwilling guests of an unwilling host.”<sup>15</sup>

**Austria was already overpopulated and starving; suffering from a severe shortage of housing, a nonexistent civil government; a non-functioning legal, financial, and educational system; and a barely serviceable transportation and communications infrastructure.**

**Austria could not handle the DP population that existed at the end of the war, let alone the influx of new people which continued to flood the country after V-E Day as further DPs streamed in from Eastern Europe and Germany to come under the Americans, where treatment was known to be better or to escape Communism and the Soviet Red Army. The first postwar census in Austria taken in July 1945 revealed over 1,000,000 DPs in the country, of which 600,000, or fully 60 percent, had located themselves in the U.S. Zone in Upper Austria. This figure did not include 100,000 Austrian citizens who had also fled west to escape the Red Army during the final days of the war. In spite of the fact that the U.S. Army repatriated over 560,000 displaced persons of 11 different nationalities by the end of 1945, the influx of DPs from the east continued for months and years following the war. As late as January 1, 1947, over 400,568 DPs were added to the original figure. The new influx consisted largely of Volksdeutsche or ethnic Germans "who had been literally dumped into Austria across the Czech, Hungarian, and Yugoslav borders" by governments seeking to "cleanse" their populations of minorities associated by race with Nazi Germany.**

**Over 100,000 of these new Volksdeutsche refugees were from Czechoslovakia and Hungary who arrived in Austria only with what they could carry; the remainder of their property and possessions were expropriated without compensation by the Czech and Hungarian governments that had expelled them.<sup>16</sup>**



Given the inability of Austria to meet DP needs, the U.S. Army provided food, clothing, and shelter when and where necessary from its own supplies or from stocks of captured enemy materiel or local requisitions.<sup>17</sup> Although the responsibility for DPs was turned over to the Austrian Provisional Government after 1945 by mutual agreement with the four occupying powers, the war torn nation could not meet these needs and the USFA continued to provide for the still burgeoning DP population from U.S. Government funds.<sup>18</sup>

The large DP population not only presented enormous logistical difficulties for the limited number of U.S. military personnel in Austria after the war, but also posed a significant security problem in a nation struggling to reestablish law and order. As the U.S. Allied Commission for Austria history stated,

the collapse of the German army was accompanied by the complete breakdown of all law-enforcement agencies in Austria. Tens of thousands of displaced persons roamed the countryside, looting and pillaging as they went. Tens of thousands were housed in hundreds of small, scattered barrack settlements, some of which had been former concentration camps. Each settlement housed several different nationalities. It was imperative that some sort of order be restored. To achieve this, it was necessary, first, to ascertain the nationalities of the displaced persons; then to repatriate all those who could be moved as rapidly as available transportation and reception facilities would permit; and finally, to house, feed, and care for those who could not be repatriated immediately.<sup>19</sup>

U.S. occupation forces, as much as possible, controlled the movement of DPs. In addition to providing for all of the physical needs of this growing population, by July 1945, U.S. Army soldiers took on the added responsibility of monitoring trains carrying large numbers of refugees to and from the American Zone and establishing the identity of passengers. In hundreds of cases, trains were stopped by U.S. Army personnel and identity papers were checked, as were passes issued by occupation forces. If proper identification

and documentation could not be provided by each individual on any given train, the DPs in question were detained by U.S. Army personnel and returned to their point of origin. In the words of one officer of the U.S. Army 42<sup>nd</sup> Infantry Division, "If they have passes they can come, if they don't they can't."<sup>20</sup> Yet large numbers of people continued to cross the borders of nations and occupation zones undetected for months following V-E Day in spite of allied efforts.

An additional task placed on the overextended occupation forces was to provide basic security for property. Preventing looting by DPs in particular, occupied military personnel throughout the summer and fall of 1945 and into 1946. U.S. Army personnel assisted Austrian police in apprehending offenders when requested to do so, and often responded to reports of DP looting or other criminal activity on their own.<sup>21</sup> In spite of the Army's best efforts, the shortage of military personnel often meant that not all sites could be adequately protected all of the time and some DP criminal activity went undetected and unpunished. As one frustrated U.S. Army officer in Salzburg reported to a subordinate in November 1945, all property was at risk and that "we need guards on all U.S. property moving by rail as over \$2,000,000 in property was stolen fr [sic] trains in this vicinity last month."<sup>22</sup>

Security of property, be it captured enemy materiel, Austrian private or public property, or U.S. Army or U.S. Government property, became a primary duty of the occupation forces. As late as March 1946, the various units comprising the 42<sup>nd</sup> Infantry Division had the majority of their ever-decreasing forces deployed on guard duty.<sup>23</sup> The operations journals of this division for 1945 and 1946 contain scores of references to and

requests for guards throughout Salzburg and Upper Austria. These requests were routinely filled. Lower echelon U.S. Army personnel took these duties seriously and the journals show that guards were assigned and that officers and noncommissioned officers monitored the performance of guard duty and received reports of what locations were being secured to what extent.<sup>24</sup>

### **THE ALLIED OCCUPATION OF AUSTRIA**

At the Moscow Conference held between October 19-30, 1943, representatives of the United States, the United Kingdom, and the USSR decided to restore the independence of Austria, a nation they then considered the first victim of Nazi aggression. The Nazi Anschluss, or annexation, of March 15, 1938, was declared null and void.<sup>25</sup> The original postwar allied mission was simple, "to reestablish a free, independent and democratic Austria with a sound economy, capable of insuring an adequate standard of living."<sup>26</sup> After the initial stages of occupation were accomplished, the Allies were to encourage the development of a Provisional Austrian government, the prewar government of Austria having been totally dismantled after 1938 by Nazi Germany, which had ruled the country as seven distinct provinces of the Greater German Reich. Several subsequent agreements, made at the Teheran Conference in 1944 and at the Yalta Conference in 1945, resulted in a further refinement of postwar policy, including the decision to divide Austria into four occupation zones administered by a European Advisory Commission. These zones were formally established by the European Advisory Commission agreement of July 9, 1945.<sup>27</sup>

Although American forces had already entered several regions of Austria by V-E Day, the U.S. Zone was officially to consist only of the province of Salzburg and that part of Upper Austria situated on the right upper bank of the Danube River. The zone contained about 18 percent of the total Austrian prewar population of approximately 7,071,390 and did not take into account the enormous population of Axis prisoners of war, disarmed enemy personnel, or displaced persons that were already present or who were arriving daily, by May 8, 1945.<sup>28</sup> By further agreement between what was then known as the Quadpartite Powers (the United States, United Kingdom, France, and the USSR), U.S. forces were also to occupy one quarter of the Austrian capital city of Vienna until such time as an Austrian government was reconstituted and a peace treaty was signed.<sup>29</sup>

The overall controlling body governing the occupation in Austria was the Allied Council consisting of the commanding generals of the four allied armies in Austria at the time of liberation in May 1945. These tactical military commanders, untrained in civil affairs or in the specific performance of occupation duties were vested with supreme authority for their respective zones and through the Allied Council for matters affecting the nation as a whole. Below the Allied Council was a quadpartite executive committee dealing with specific tasks in thirteen different categories (e.g., political, legal, financial, education, transportation, etc.). Decisions required the unanimous vote of all four allied commanders comprising the council. The American component of this body was the United States Allied Commission for Austria (USACA) headquartered in Vienna. Although its existence was planned long in advance, the military commanders of the control council did not hold their first official meeting until September 11, 1945.

Below the USACA was the actual American occupying force in Upper Austria and Vienna consisting of the U.S. Army soldiers of the United States Forces Austria (USFA), separated into Zone Commands for Salzburg, Upper Austria, and Vienna. This force, with headquarters in Salzburg and later in Vienna, was subordinate to both the USACA and the United States Forces European Theater (USFET), which had its headquarters in Frankfurt-on-Main, Germany. The USFA was coequal in status and was governed by the same Allied, U.S. Joint Chiefs of Staff, and War Department policies and regulations as the much larger occupation force in Germany, the Office of the Military Government United States (OMGUS), under Lieutenant General Lucius D. Clay. U.S. Army troops on occupation duty in Austria were treated no differently, nor were they allowed to behave any differently than U.S. Army troops in Germany or anywhere else in the world.

Although the U.S. Army had trained soldiers to specifically handle military government duties, the military government teams slated for duty in Austria were still with Allied forces in the Mediterranean Theater at wars-end. The first military government teams to arrive in Austria in June 1945 were detached from groups trained and stationed in Germany who were prepared to deal with unique German problems. Thus, the plans that had been made for U.S. Army forces attached to the Fifth U.S. Army in the Mediterranean Theater to liberate Austria shortly before or after the end of the war and then to take over occupation duties thereafter, did not immediately come to fruition. Fifth Army troops were involved with accepting the surrender of Axis forces in Italy, who had surrendered on May 2, 1945, nearly a week before V-E Day. Austrian territory as a result, was entered from the north by forces belonging to the U.S. Third and Seventh Armies then

operating in southern Germany. As Axis resistance crumbled in the final weeks of the war, U.S. units ranged far and wide across enemy territory, often being out of direct contact with their higher headquarters for days. By V-E Day, the United States had all or parts of two Army groups, three field Armies, one Army corps, and 14 divisions deployed on tactical lines in Austria, many staying in country as late as September 1945 before being redeployed. Other units stayed in Austria for just a few days or weeks before rejoining larger portions of their units in Southern Germany, Italy, or in Czechoslovakia.<sup>30</sup>

Like the Allied Control Council, the proposed USFA headquarters was not immediately operational, especially during the crucial and chaotic weeks following V-E Day. Indeed, USFA headquarters was not even officially established until July 6, 1945, and "it was not until the end of July and early August that USFA headquarters moved from Northern Italy to Salzburg, Austria, then on to Vienna." Even then, the USFA Commanding General, Lieutenant General Mark Clark, who formerly commanded the U.S. Fifth Army in Italy, did not officially assume his post until mid-August.<sup>31</sup>

Until General Clark arrived, the U.S. Zone in Austria remained under the supervision of division-level tactical commanders. It had already become apparent to U.S. Army forces well before the establishment of USFA that the task at hand was far greater than anything they had previously anticipated. Within weeks, it was discovered that the Austrian government's economy and physical infrastructure had ceased to exist or had completely broken down. Duties were added to the already heavy workload of the combat soldiers that included those contained in a directive to tactical commanders in late June 1945 dealing with the needs of native Austrians; the enforcement of the German

surrender; denazification; the arrest of war criminals and dangerous Nazi, who either lived in Austria or who had fled to the supposed "National Redoubt" in the Alps; the restoration of stolen property; and the repatriation of over 250,000 prisoners of war, disarmed enemy personnel and over 700,000 displaced persons.<sup>32</sup>

Even though Allied occupation headquarters were not established or present in Austria during much of the summer of 1945, this did not mean that the tactical commanders were without guidance, although they lacked specific training and experience in such duties. Occupation policies in the U.S. Zone had already been established by V-E Day, developed from U.S. Government policies and those created in conjunction with the four allied powers. These policies were supplemented by guidance from the U.S. State and War Departments and at the theater level, by the predecessor headquarters to U.S. Forces European Theater (USFET), the Supreme Headquarters Allied Expeditionary Forces (SHAEF). U.S. Army personnel assigned to occupation duty in Austria were thus guided by a SHAEF-produced *Provisional Handbook for Military Government in Austria*, distributed in April 1945. This comprehensive handbook of instructions was in addition to the Articles of War and Joint Chiefs of Staff and War Department policies and regulations that governed soldiers during the day-to-day performance of their duties everywhere. The *Provisional Handbook*, however, the most detailed guide. In 278 pages, this book covered the mission, powers, and objectives of the military government in Austria and specific duties to include denazification, legal matters, public safety, displaced persons and refugees, finance and property control, supply, economics, public health and welfare, education and religion, media and radio services, monuments and fine arts, and archives.

Each section of the guide outlined roles and missions, procedures, chains of command and control, special responsibilities, regulations providing the legal basis for the occupation, as well as the official U.S. Army and Government forms the soldier was likely to encounter in the performance of his duties. A detailed set of appendices contained decrees and orders from the military government that applied to Austria. Decree No. 3, for example, was entitled "Blocking and Control of Property," and set up the organizations and procedures through which U.S. Army personnel would deal with property, war loot, reparations, restitution, and deliveries in the occupation zone. Therefore, far from being unprepared to carry out their duties and far from being out of control or ill-disciplined, the U.S. Army soldiers in Austria, depending on their military occupational specialties and duty assignments, had specific guidance. The wartime chain of command remained intact, as did wartime standards of behavior and discipline.<sup>33</sup>

Even with such guidance and the occupation organizational structures forming or already in place, the chaotic situation existing in Austria at the end of the war, combined with the rapid movement of Allied troops between and within zones and the presence of hundreds of thousands of civilians, often made strict command and control difficult to obtain and maintain. Determining which portion of the U.S. Zone was to be covered by which U.S. Army units took weeks to establish. By June 1945, however, such areas of responsibility were precisely determined with the 42<sup>nd</sup> Infantry Division, which had entered Austria from Bavaria in southern Germany on May 11, 1945, being designated by General Clark as the primary American occupation unit. On July 8-10, 1945, this division, under the command of Major General Harry J. Collins, moved to Salzburg Province [or *Land*



Salzburg] from its location in Tirol Province, relieving the U.S. 3<sup>rd</sup> Infantry Division then being relocated to Germany.<sup>34</sup>

Fifty-year-old General Collins was described by his contemporaries as flamboyant, arrogant and aggressive, but was also considered a competent division commander who had gained the nickname of "Hollywood Harry" in the time since taking command of the 42<sup>nd</sup> Infantry Division in April 1943. Collins would remain in command of this veteran combat unit until it returned to the United States in July 1946, thus gaining the 42<sup>nd</sup> Infantry Division the distinction of having served on Austrian occupation duty longer than any other U.S. Army unit. By July 1946, the 42<sup>nd</sup> Infantry Division had gradually extended its span of control to cover the entire U.S. Zone and to Vienna, as well as other Army units were redeployed or were sent home. After the 42<sup>nd</sup> Infantry Division returned to the United States, General Collins remained in Salzburg as the Military Governor and Zone Commander until returning to the United States in June 1948. Diminishing numbers of U.S. forces would remain in Austria until late October 1955, although the vast majority was removed by 1948.

#### **THE USFA ON OCCUPATION DUTY**

Within this context, U.S. Army personnel began the many tasks associated with the occupation of a devastated nation with its host of human, physical, and economic difficulties. In addition to the purposes of the occupation as stated by Allied agreements, U.S. Army soldiers found they also had to deal with a myriad of problems involving such

issues as food, clothing, shelter, water supply, transportation, employment, education, judicial order, religion, displaced persons, disarmed enemy personnel, prisoners of war, communications, financial institutions and commerce, the postal service, basic police work and the maintenance of law and order, in addition to securing, caring for and restoring stolen or missing property belonging to Austrian nationals, to foreign governments, and to other people displaced by war.

Not as apparent to latter day observers; however, was one the U.S. Army's top priorities in the weeks and months immediately following the war was finding sufficient quarters for the 47,000 U.S. occupation troops.<sup>35</sup> Due to war damage, decent furnished housing was difficult to find and was at a premium. American forces initially found accommodation wherever they could, outdoors, or in public buildings, apartment houses, inns, private homes, barns, warehouses, factories, and commercial structures. Finding proper long-term accommodation, however, did not occur overnight. In July 1945, it was reported that in the 42<sup>nd</sup> Infantry Division area alone, 1,100 men were sleeping outside on the ground and 6,135 were sleeping on floors without beds.<sup>36</sup>

As in the other Allied occupation zones of both Germany and Austria, the USFA found it necessary to requisition housing, including furnishings for its troops from among what suitable existing private housing was available. It is within this context of a mad scramble for limited numbers of habitable dwellings, suitable furnishings, and useable household items that many later observers see the U.S. Army at its worst. The legal requisitioning of housing and supplies by military forces is erroneously misinterpreted to constitute uncontrolled theft, looting, and pillaging. Requisitioning; however, is a loan, not

permanent ownership. It is a temporary expedient, not a policy without accountability or compensation. The authority for requisitioning property for the use of occupation troops was therefore not an example of misappropriation or theft by local commander. This was in keeping with international agreements and War Department guidelines. According to Article 52 of the Hague Convention, No. 18, "Respecting the Laws and Customs of War on Land," approved on October 18, 1907, to which the U.S. was a signatory,

*If this is criticism of  
Report, then what data is  
there to show return?*

requisitions in kind and services shall not be demanded from municipalities or inhabitants except for the needs of the army of occupation. They shall be in proportion to the resources of the country. Such requisitions and services shall only be demanded on the authority of the commander of the locality occupied. Contributions in kind shall as far as possible be paid for in cash; if not, a receipt shall be given and the payment of an amount due shall be made as soon as possible.<sup>37</sup>

Thus, with internationally recognized legal authority to do so, the U.S. Army in Austria began to make housing surveys in preparations for requisitioning homes, inns, castles, and villas, and a whole host of other structures, to serve as residences and offices for military and civilian personnel for as long as perhaps two to five years.<sup>38</sup> In spite of efforts not to displace locals, Austrians were often removed to substandard quarters. According to the USACA official history,

The few houses and apartments that were empty, as well as some others which were still occupied by their owners were quickly requisitioned by the four Allied Powers, whose initial requisitions removed slightly over 6,000 dwellings from potential use by indigenous house-hunters. The order of requisition observed by United States, British, and French forces [but not the Soviets] was to requisition first apartments or houses occupied or recently abandoned by Nazi Party officials, and only after these possibilities had been exhausted to turn to the dwellings of other residents. . . .

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The outlook during the early summer of 1945 was even darker than the existing situation. It was certain that there would be an influx of returnees, whereas the complete breakdown of central government and of the transportation and communications systems made it extremely doubtful that any extensive repair work could be accomplished before the beginning of winter.<sup>39</sup>

To oversee this process at both USFA headquarters and the division level, real estate offices were established and an officer was authorized to locate, evaluate, inventory, and assign American military and civilian personnel to private housing, and to process the necessary requisition forms and other paperwork. All personnel needed USFA approval before requisitioning a property. Yet, in spite of published policies, some confusion existed and one officer incorrectly reported to a subordinate in November 1945 that "Property belonging to German Nationals can be requisitioned and taken. Property belonging to Austrian Nationals cannot be taken," in spite of policies that allowed requisitioning of any and all civilian and government property for the use of occupation forces.<sup>40</sup>

When requisitioning began, U.S. Army officers, according to the traditions of the Service and with regard for their relative status would have requisitioned for them by their aide-de-camps, usually a lieutenant or captain, properties and furnishings commensurate with their rank, official position, or duties. Officers of flag rank generally had the most elaborate and better furnished offices and dwellings than their juniors, especially enlisted personnel, whose duties and contacts were not of high responsibility or of international importance.<sup>41</sup> General Collins, for example, in his official duties as the commander of the U.S. 42<sup>nd</sup> Infantry Division and as military governor and commander of American forces in the U.S. Zone, often needed suitable accommodations for visiting American and foreign military and civilian dignitaries. He thus maintained as his official headquarters, personal

residence, guest houses, and reception halls, at least seven different  
Salzburg.<sup>42</sup> Many of these properties, like dwellings throughout  
whatsoever and were mere empty shells with all property having  
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Whenever housing was requisitioned for military and civilian personnel, and later  
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What held true for those at the top was true for subordinates as well. American  
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from their Unit Supply Officers. Units and DP Camp Commanders are  
furthermore reminded that needs should be anticipated and must be made known  
through normal supply, rather than through command channels.<sup>44</sup>

Authentic? 2

What's the  
context for this letter -  
Was it a criticism?

residence, guest houses, and reception halls, at least seven different locations in and around Salzburg.<sup>42</sup> Many of these properties, like dwellings throughout Austria, had no contents whatsoever and were mere empty shells with all property having been removed by the owners or looted by Wehrmacht and Red Army forces or DPs. Thus when U.S. military personnel could find suitable billets, they often needed all manner of furniture and household items, from pillowcases to flatware and chairs to beds. Such items were available, but they were widely scattered throughout Upper Austria.

Whenever housing was requisitioned for military and civilian personnel, and later their dependents, exact inventories were made and kept for such a time when such needs ended and the dwellings, with any property therein or subsequently obtained elsewhere, were returned to their owners. General Collins was informed of this by Brigadier General W. C. McMahon of USFA headquarters after Collins had recommended requisitioning private homes, including furnishings, as billets for incoming military dependants. Collins was further informed that "the Commanding General desires that careful and exact inventories be kept and as soon as furniture from other sources has been obtained, the furniture that has been moved should be turned back to the original owners."<sup>43</sup>

What held true for those at the top was true for subordinates as well. American troops were strictly directed that,

any and every requisition will be made out on the proper form, will be detailed and complete, and will be based upon carefully determined needs. Camps having inexperienced Supply Officers will obtain assistance in preparation of requisitions from their Unit Supply Officers. Units and DP Camp Commanders are furthermore reminded that needs should be anticipated and must be made known through normal supply, rather than through command channels.<sup>44</sup>

As part of standard operating procedures when dwellings were requisitioned by the military, the entire property and its contents, including furnishings, but minus personal items or items of exceptional value, became part of the overall transaction and owners were not allowed to remove furnishings. Troops requisitioning private property were ordered to do so in an orderly manner, to cause the least amount of inconvenience when dealing with the civilian owners, and above all, to use sound and careful judgment insofar as the value is concerned (i.e., don't take \$5,000.00 rug china)." Soldiers were also ordered to remember that "accurate instructions will be issued by G-4 to S-4) to include the owner's [memorandum of receipt]" for property being requisitioned. Inventories and receipts were made, eventually ending up in the hands of the unit property control or real estate officer.<sup>45</sup>

*stuff off the train  
couldn't be treated that  
way*

Thus, property requisitioned by U.S. military personnel was recorded, initially by the use of a hand receipt or memorandum of receipt, and later by an official Real Estate Requisition form (GPA ETO Form No. 6-G Austria), specially printed in both German and English for the USFA. Clearly stated on the front of this form, in English and German, are the words "REQUISITION REPORT, Pursuant to Article 53, Annex to Hague Convention No. IV of October 18, 1907 is made as follows:" Item 1 details ownership, name, address, nationality of the owner and whether the property being requisitioned is public or private property, or property of unknown origin. Item 2 describes the location of the property and its type. Item 3 describes the property, the type of building, number of rooms, condition of the dwelling and furnishings. Item 4 states



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Thus, property requisitioned by U.S. military personnel was officially and legally recorded, initially by the use of a hand receipt or memorandum of receipt, and later by an official Real Estate Requisition form (GPA ETO Form No. 6-G Austria), specially printed in both German and English for the USFA. Clearly stated on the front of this form, in English and German, are the words "REQUISITION REPORT, Pursuant to Article 53, Annex to Hague Convention No. IV of October 18, 1907 is made as follows:" Item 1 details ownership, name, address, nationality of the owner and whether the property being requisitioned is public or private property, or property of unknown origin. Item 2 describes the location of the property and its type. Item 3 describes the property, the type of building, number of rooms, condition of the dwelling and furnishings. Item 4 states

**"THIS PROPERTY IS NEEDED BY US FORCES, and the requisition is in proportion to the resources of the country." The form lists the name of the persons making the requisition and who will occupy the property, as well as the signature of the Commander of the locality approving the transaction.<sup>46</sup>**

**In addition, the standard real estate requisition form could be used for property other than actual real estate, i.e. a dwelling, property and other furnishings. The requisition form then had to be accompanied by a standard U.S. Army quartermaster requisition form designated War Department Q.M.C. Form No. 400 (Revised APR 6, '31). This standard form had a requisition number, the date and projected duration of the requisition, and the location of the item. The form also described the requisitioned item in detail, for example "1 rug, 12x15, velour, white tassels on end, brown flower design in center," or "1 rug, 12x14, light color pink and flower design." The quartermaster form was then signed by the appropriate approving officer, who took legal responsibility for the items described. If numerous items were being requisitioned, a larger and more detailed inventory form would be used listing each item and its condition. All forms stated that items listed were only loaned, that they could not legally be removed from the dwelling and had to be returned to the Property Control Section, USFA, on demand, usually through the unit real estate and claims officer or property control officer, if at a higher echelon. The original copies of all forms went to the owner. If the owner was unknown, the original form went to the local Burgermeister or *Land* Property Control Office. A second copy went to the USFA Engineer; a third copy went to the Civilian Pay Office, USFA; a fourth**

copy went to the occupant of the dwelling or custodian of the property; while a fifth and final copy went to the Real Estate Officer's main files.<sup>47</sup>

In all cases before a property was occupied, an inventory dwelling and its contents. U.S. military personnel living in such were informed that they were responsible for both the security condition of the dwelling and its contents. Stealing private property U.S. Articles of War, as well as Article 47 of the Hague Convention Laws and Customs of War on Land," which clearly stated that forbidden." The Articles of War governing the behavior of all U.S. Army personnel anywhere in the world were even more specific. Article 80 stated,

Any person subject to military law who buys, sells, trades, or in any way deals or disposes of captured or abandoned property, whereby he shall receive or expect any profit, benefit, or advantage to himself or to any other person directly or indirectly connected with himself, or who fails whenever such property comes into his possession or custody or within his control to give notice thereof to the proper authority and to turn over such property to the proper authority without delay, shall, on conviction thereof, be punished by fine or imprisonment, or by other such punishment as a court martial, military commission, or other military tribunal may adjudge, or by any or all of said penalties.<sup>48</sup>

This message was distributed up and down the chain of command. As one officer of the 42<sup>nd</sup> Infantry Division was informed "You must take steps to provide adequate security on all property under requisition which contains furniture in order that no pilfering will take place." In addition, orders were issued that no furniture or property was to be removed from requisitioned properties for other locations. When requisitioned billets were no longer needed, properties and contents were returned to U.S. Army property control

*Again, this is about how it was supposed to happen w/ no reason. Evidence re whether that was true in practice*

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officers for final disbursement, sale or restitution, depending on items fitting these categories were returned to the Austrian Fed could not be found, or to the private citizens displaced by occupation and property control officer had consolidated lists of property

check it  
for 49 does  
actually support  
this broad  
statement

The property lists generated were very specific and troops damaged or missing property on its release. All officers were to "prohibited items are taken" on board either trucks or trains and to report compliance. The record indicates that officers complied, and that the prohibition against removal of unauthorized property was enforced, often to a ridiculous level. As one officer wrote on the return of Austrian civilians to their recently released home, "The people there state that all property taken out of their home has been returned except six pillows and two comforters." Even with items of such obviously low monetary value, this officer received assurance from a fellow officer that "I will get on that and see that those items are returned immediately."<sup>50</sup>

As the reconstruction of Austria went forward, the need by occupation forces to requisition private dwellings and property diminished rapidly. By February 1946, the few remaining 42<sup>nd</sup> Infantry Division personnel were being informed that "as a matter of policy, no additional real estate is to be requisitioned except in an emergency and then only temporarily." Indeed, by late 1947, in just Upper Austria and in Linz, the United States had already returned 2,274 of 2,982 requisitioned properties and their contents.<sup>51</sup>

Even with the broad authority to requisition state and private property for the needs of U.S. Army occupation personnel, the devastated condition of postwar Austria and

officers for final disbursement, sale or restitution, depending on the individual case. Most items fitting these categories were returned to the Austrian Federal Republic if owners could not be found, or to the private citizens displaced by occupation forces. Each unit real estate and property control officer had consolidated lists of property on file.<sup>49</sup>

The property lists generated were very specific and troops were held accountable for damaged or missing property on its release. All officers were to "check to see that no prohibited items are taken" on board either trucks or trains and to report compliance. The record indicates that officers complied, and that the prohibition against removal of unauthorized property was enforced, often to a ridiculous level. As one officer wrote on the return of Austrian civilians to their recently released home, "The people there state that all property taken out of their home has been returned except six pillows and two comforters." Even with items of such obviously low monetary value, this officer received assurance from a fellow officer that "I will get on that and see that those items are returned immediately."<sup>50</sup>

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Even with the broad authority to requisition state and private property for the needs of U.S. Army occupation personnel, the devastated condition of postwar Austria and

its burgeoning population of displaced persons meant that short furnishings and day-to-day necessities persisted well into 1946. In needs and shortages, the U.S. Army, like other military forces, in captured enemy supplies and property taken during the closing supplies as "captured enemy materiel" was a simple task and w all belligerents, and was defined very broadly by the Soviet Uni enemy materiel was either war material, be it ordnance, vehicle property, civilian or military in nature, found in the possession of an enemy military force, or an enemy government or its officials or representatives. Accc military agreements, such as Article 53 of the Hague Convention can only take possession of cash, funds, and realizable securities property of the State, depots or arms, means of transport, stores : generally, all moveable property belonging to the State which ma of war."<sup>52</sup> In addition, according to the Articles of War under wh specifically Article 79, "All public property taken from the enemy United States and shall be secured for the service of the United Sta... Army soldier "who neglects to secure such property or is guilty of wrongful appropriation thereof shall be punished as a court martial may direct."<sup>53</sup> Therefore, any property defined as captured enemy materiel, of whatever description or category, immediately became the property of the military force and government that took possession of it. Occupation troops could then use such material in any manner deemed necessary for the prosecution of the war effort or in the support of their operations.

Anything?

Doesn't this  
undercut the  
argument?

its burgeoning population of displaced persons meant that shortages of housing, furnishings and day-to-day necessities persisted well into 1946. Faced with these continued needs and shortages, the U.S. Army, like other military forces, increasingly relied on captured enemy supplies and property taken during the closing days of the war. Defining supplies as "captured enemy materiel" was a simple task and was done quite frequently by all belligerents, and was defined very broadly by the Soviet Union and France. Captured enemy materiel was either war material, be it ordnance, vehicles, clothing, food or other property, civilian or military in nature, found in the possession of an enemy military force, or an enemy government or its officials or representatives. According to international military agreements, such as Article 53 of the Hague Convention "an army of occupation can only take possession of cash, funds, and realizable securities which are strictly the property of the State, depots or arms, means of transport, stores and supplies, and generally, all moveable property belonging to the State which may be used for operations of war."<sup>52</sup> In addition, according to the Articles of War under which U.S. forces operated, specifically Article 79, "All public property taken from the enemy is the property of the United States and shall be secured for the service of the United States." Any soldier "who neglects to secure such property or is guilty of wrongful appropriation thereof shall be punished as a court martial may direct."<sup>53</sup> Therefore, any property defined as captured enemy materiel, of whatever description or category, immediately became the property of the military force and government that took possession of it. Occupation troops could then use such material in any manner deemed necessary for the prosecution of the war effort or in the support of their operations.



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What does  
this  
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Throughout Europe and indeed, in the 42<sup>nd</sup> Infantry Division area in Salzburg and  
Upper Austria, there were scores of "targets," or locations or caches fitting the above  
definition of captured enemy materiel. Each was assigned a number and was placed under  
the administrative control of a division captured enemy materiel (CEM) officer until such  
time as USFA property control personnel could make a detailed inventory and take  
possession. CEM targets in the 42<sup>nd</sup> Infantry Division area during the summer and early  
fall of 1945 included, for example, CEM #22, described as a Wehrmacht warehouse; target  
#530, which contained clothing; target #204, described as a warehouse containing lathes  
and other machinery; or target #23, or CEM #67 "containing oriental rugs, 11 famous  
paintings, some silver, diamonds, and radium."<sup>55</sup> All such targets were guarded by  
U.S. Army soldiers until ordered to evacuate the property to more central locations, to  
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representatives, or to some other nation, private organization, or international body. In the  
case of CEM #67, for example, the captain in charge exercised great caution and wrote,

U.S. forces in Austria were informed that "for military use, in addition to Government Issue Property and Supplies, units are authorized to requisition only CEM [captured enemy materiel] and Local Indigenous Supplies," defined as "property and supplies of all kinds available locally." The only exception to these rules was in dealing with United Nations displaced persons and disarmed enemy forces (DEF). In these cases, U.S. Army forces were informed "units simply requisition without regard to the class of property."<sup>54</sup>

Throughout Europe and indeed, in the 42<sup>nd</sup> Infantry Division area in Salzburg and Upper Austria, there were scores of "targets," or locations or caches fitting the above definition of captured enemy materiel. Each was assigned a number and was placed under the administrative control of a division captured enemy materiel (CEM) officer until such time as USFA property control personnel could make a detailed inventory and take possession. CEM targets in the 42<sup>nd</sup> Infantry Division area during the summer and early fall of 1945 included, for example, CEM #22, described as a Wehrmacht warehouse; target #530, which contained clothing; target #204, described as a warehouse containing lathes and other machinery; or target #23, or CEM #67 "containing oriental rugs, 11 famous paintings, some silver, diamonds, and radium."<sup>55</sup> All such targets were guarded by U.S. Army soldiers until ordered to evacuate the property to more central locations, to disburse the contents to DPs, local residents, or to the Austrian Government or their representatives, or to some other nation, private organization, or international body. In the case of CEM #67, for example, the captain in charge exercised great caution and wrote,

"suggest someone take a look at the place for possible removal of the rugs and paintings since we are not sure its [sic] a suitable place for them."<sup>56</sup>

As with requisitioned property, the first concern of U.S. Army forces upon finding captured enemy materiel or other property of unknown origins or ownership, was to provide proper security to prevent theft or dispersal until it could be collected in a central repository and inventoried. This task was undertaken by USFA Property Control and Restitution officers who could make proper identification and, if and when possible, restored the property to its rightful owner, be it a private individual or a national government. Numerous reports exist showing the heightened sense of importance that U.S. Army soldiers and their commanders gave to this security upwards of a million dollars of treasures were discovered by U. island in the Chiem See in Southern Germany in June 1945, effort undertaken to place guards on the property and to have member inspector general's office inventory and take possession of the various scenario was followed in the case of loot consisting of several million currency allegedly belonging to Nazi S.S. Chief Heinrich Himmler vicinity of St. Johann.<sup>58</sup> To cite another example, when the men Division discovered a smaller, less valuable cache of art and radium in their area on July 13, 1945, a similarly heavy guard of three companies of troops was placed around the location and great concern was shown by commanders that security continued to be adequate.<sup>59</sup> In addition to providing guards for this valuable property, U.S. Army personnel belonging to the 42<sup>nd</sup> Infantry Division's 242<sup>nd</sup> Infantry Regiment, the

Fr 57 -  
to we  
have this  
Dec 2.

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42<sup>nd</sup> Division Field Artillery Regiment and the 15<sup>th</sup> Corps Artillery were maintaining roadblocks, guarding other warehouses, hospitals, prisoner of war camps, disarmed enemy personnel detention centers, and displaced persons encampments, and bridges throughout the U.S. Zone.<sup>60</sup> In spite of the many other duties they had to perform, soldiers kept guard on valuable materials until ordered to remove security details.<sup>61</sup>

The U.S. Army, at all levels, went to great lengths to protect valuables as part of standard military operating procedures. When one officer was informed by a colleague in October 1945 that "There is a Captain Sattgast here fr [sic] Land Mil Govt [sic] who desires to remove art treasures fr [sic] Fischorn Castle," and that his name did not appear on the list of persons eligible to enter the premises, he was ordered to deny this higher-ranking officer admittance until proper clearance was obtained.<sup>62</sup> Following this incident, subordinates were again reminded to "be sure to admit no one to the art treasure targets unless the person seeking admittance bears the authorized passes as contained in your instructions from this Hq [sic]. No one will remove any objects of art without authorization in writing from USFA G-5. The guards are familiar with the contents of the instructions regarding the art treasures and are complying with them."<sup>63</sup>

Concerns for the security of these valuables was so great among 42<sup>nd</sup> Infantry Division personnel that by September 1945, members of the only recently formed *Land Military Government* were dispatched to the location to inventory, process, and evacuate the valuables to a more secure location. All personnel coming into contact with the holdings at Fischorn Castle were required to have their name placed on a list and to have a pass issued by USFA G-5 in Vienna. Repeated 42<sup>nd</sup> Infantry Division operations journal

entries contain queries about military personnel either not on the approved lists or without the necessary passes.<sup>64</sup>

When time came for U.S. Army soldiers to turn over valuables and property in their custody to property control officers, receipts were exchanged between units and commands. When target #211 containing art treasures in a salt mine were turned over to higher U.S. Army authorities, it was reported that "the MG [Military Government] crew evacuating it has given us receipts for the entire contents. We are forwarding these receipts to G-2. In addition, we checked the cave to make sure we hadn't missed anything."<sup>65</sup>

#### **THE U.S. ARMY AND THE HUNGARIAN GOLD TRAIN**

It was during this generally chaotic period when all manner of serious situations needed attention from occupation troops and their commanders, that U.S. Army soldiers came into contact with what has become known as the "Hungarian Gold Train." This train was subsequently referred to as the Werfen train, named for the village of Werfen, thirty miles south of Salzburg, Austria, where it came to rest prior to its arrival in Salzburg. The Hungarian Gold Train was already becoming legend by V-E Day, although surviving records show that the story surrounding this and other trains bearing loot, cultural assets, and valuables from Hungary and other points east, is not yet completely known. The contents, dispersal and eventual disposition of the property on the Hungarian Gold Train is not as mysterious, however, as postwar and current reports allege. Prior to

the train's coming into American hands, a good portion of its dispersed to locations far from where they were initially gathered

*authenticity?*

The Hungarian Gold Train was not unique. In the final U.S. Army forces discovered tremendous amounts of dispossessed cultural assets, and other valuables stolen by the Nazi regime. The contents of the Hungarian Gold Train constituted a minuscule amount, both physically and financially, of the total amount of stolen and looted property valued in the billions of 1945 dollars. In spite of the fact that the Hungarian only a small part of a very large whole, American policy from the levels down through the State and War Departments, U.S. Army field commanders and occupation troops, was to secure, protect to its rightful owners as quickly, effectively and efficiently as possible

*but this small part represented all of the assets of the Jewish community of Hungary*

Although not common knowledge today, Hungary was one of the major powers during World War II, albeit a minor power, whose association with Germany in the 1930s and 1940s proved unfortunate. An independent nation created from the remnants of the defunct Austro-Hungarian Empire in 1919, Hungary experienced an extraordinary amount of political instability throughout the 1920s and 1930s as parties of the left and right wings vied for control of the government. By the time of national elections in June 1939, Hungarian public opinion had shifted so far to the extreme right wing that voters gave the Arrow Cross Party - Hungary's equivalent of the National Socialist German Workers' Party or Nazi Party - the second highest number of votes. In September 1940, this increasingly fascist government allowed German troops to transit the

the train's coming into American hands, a good portion of its contents had been stolen or dispersed to locations far from where they were initially gathered.

The Hungarian Gold Train was not unique. In the final days of the Third Reich, U.S. Army forces discovered tremendous amounts of dispossessed property, art and cultural assets, and other valuables stolen by the Nazi regime during its 12-year existence. The contents of the Hungarian Gold Train constituted a minuscule amount, both physically and financially, of the total amount of stolen and looted property valued in the tens of billions of 1945 dollars. In spite of the fact that the Hungarian Gold Train contents were only a small part of a very large whole, American policy from the highest government levels down through the State and War Departments, U.S. Army leadership in Europe to field commanders and occupation troops, was to secure, protect, and restore this property to its rightful owners as quickly, effectively and efficiently as possible.

Although not common knowledge today, Hungary was one of the Axis powers during World War II, albeit a minor power, whose association with Nazi Germany during the 1930s and 1940s proved unfortunate. An independent nation created from the remnants of the defunct Austro-Hungarian Empire in 1919, Hungary experienced an extraordinary amount of political instability throughout the 1920s and 1930s as parties of the left and right wings vied for control of the government. By the time of national elections in June 1939, Hungarian public opinion had shifted so far to the extreme right wing that voters gave the Arrow Cross Party - Hungary's equivalent of the National Socialist German Workers' Party or Nazi Party - the second highest number of votes. In September 1940, this increasingly fascist government allowed German troops to transit the



country on their way to occupy Romania and on November 20, 1940, Hungary signed the Tripartite Pact, officially allying their nation with Nazi Germany, Fascist Italy, and Imperial Japan.<sup>66</sup>

During the early war years when the Axis powers were experiencing a nearly unbroken string of military successes, the leaders of fascist Hungary increasingly sought to follow on Nazi Germany's coattails. Hungary joined the Nazi invasion of the Soviet Union in June 1941, eventually contributing a sizeable contingent of 250,000 combat soldiers to the war in the east, and in December, entered the war against the Western Allies that included an official declaration of war against the United States of America. Hungary's future became intertwined with that of Nazi Germany and as the Wehrmacht began to suffer defeat after defeat, beginning in late 1942 and early 1943, Hungary shared those setbacks. In April 1943, a majority of Hungarian forces were removed from the Eastern Front for home duty in anticipation that Soviet forces, now on the offensive along the entire battle front, would soon be poised for an invasion of Hungary itself. In anticipation of the war moving closer to central Europe and to prevent Hungary from deserting the now failing Axis coalition, German military forces occupied the country on March 19, 1944. Six months later in September 1944, Soviet troops entered Hungary prompting the premier, Admiral Miklos Horthy, to announce an armistice with the Soviet Union in the attempt to avoid the destruction of the nation that was sure to result from the military campaign now raging. However, the Nazis abducted Horthy and forced him to abrogate the armistice, depose the government and name the leader of the Arrow Cross Party, Ferenc Szalasi, as Prime Minister. Horthy complied, putting the country more firmly in the hands of the

Nazis and their Hungarian fascist allies. During the following months, Hungary was sacked first by retreating German forces who demolished the rail, road, and communications systems, and then by the advancing Soviet Red Army. Although remnants of the Fascist Hungarian Army were still in existence in late 1944 and early 1945, the vast majority of the combat in Hungary involved German and Soviet forces with the Wehrmacht holding out in and around Budapest for seven weeks before their defenses collapsed on February 14, 1945. The last German troops were driven from the country in April 1945.<sup>67</sup>

It was within this context of military defeat and political chaos that the story of the Hungarian Gold Train took place. According to several U.S. Army reports completed in the weeks, months, and years following the seizure of this train and the work of later professional historians, it has been determined that in the closing days of the war, officials of the fascist Hungarian government removed all assets from the depository of the Hungarian National Bank in Budapest to prevent them from falling into the hands of advancing Soviet forces who were soon to encircle and besiege the city. Some reports at the time claim that fascist officials were seeking to protect their assets and materials by retreating Wehrmacht forces and the German Nazis, while others were actually seeking to prevent their capture by the Red Army. The fact that looting and pillaging was already well known. Nazi leaders had ample opportunity in the time period between their occupation of Hungary in March 1944 and the collapse of German forces in April 1945 to seize all Hungarian assets had this been their intention. However, pillaging a wavering ally at a crucial stage in the war when whatever assistance

2  
as per 17

Nazis and their Hungarian fascist allies. During the following months, Hungary was sacked first by retreating German forces who demolished the rail, road, and communications systems, and then by the advancing Soviet Red Army. Although remnants of the Fascist Hungarian Army were still in existence in late 1944 and early 1945, the vast majority of the combat in Hungary involved German and Soviet forces with the Wehrmacht holding out in and around Budapest for seven weeks before their defenses collapsed on February 14, 1945. The last German troops were driven from the country in April 1945.<sup>67</sup>

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they could provide was desperately needed was probably not deemed a prudent decision by top Nazi decision makers in Berlin. It was widely known and accepted by both Axis military personnel and civilian populations that the treatment and respect for life and personal property that they would receive from the military forces of the Western Allies, especially the United States, would be far better than that received from the USSR.<sup>68</sup>

Existing records are unclear as to the exact number of trains that were sent west by fascist officials in the final months of the war, but it is known that the train containing the assets of the Hungarian National Bank, the gold train, was loaded by Hungarian troops with German Gestapo assistance and left Budapest under a heavy military guard around December 15, 1944.<sup>69</sup> Red Army forces completed their encirclement of Budapest ten days later, cutting the Hungarian capital off from the outside world. Although the initial intent of the Hungarians was to save their gold reserves, it is also obvious by the contents of the train that the basic plan was being modified almost daily. Added to the gold were other bank assets, property seized from Hungary's Jewish community, bank and government officials, their families, their personal goods, and eventually almost anything that could be packed in an available rail car. It is also obvious that the train's destination was neutral Switzerland where fascist officials and their loot would be safe and beyond reach of any later claimants.

The train made slow progress toward the southwest on the one rail line exiting Hungary at the village of Ziertz for neighboring Austria through late 1944 and into 1945, carefully avoiding both German and Soviet Armies, as well as Allied fighter-bombers patrolling the skies looking for targets of opportunity. Each stop through western

Hungary added more cars and more passengers to the train.

Austria, heading toward neutral Switzerland on the southern  
extending through Klagenfurt, Villach, and Spittal, it was carr

dozens of horses, hundreds of passengers, and a countless quan

ranging from fur coats to children's toys, household goods, food,

materials, and petroleum products. The size of the train made it

detection and at least one retreating German column stumbled up

one section, taking mostly perishable items and 500 chrome cased watches. At least two

American aircraft strafed the train as well. Damaged rail cars were abandoned, and many

of the cars were repacked. Evidence is strong that most of the Hungarian soldiers and

civilians looted individual cars, stealing contents for their own possession or to trade for

food from local inhabitants as the train headed west. It seemed that whenever the train

stopped, local civilians pilfered rail cars too. Many Hungarian soldiers deserted and one

Hungarian official, Dr. Arpad Toldi, who allegedly was the trainmaster, was said to have

fled for Switzerland taking anywhere from "two boxes of gold bullion" up to

"approximately 50 cases of Gold and Diamonds" after turning the train and its inventory

over to another subordinate official.<sup>70</sup>

There were apparently at least two attempts to run the train straight to Switzerland  
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however, either because of damage to the tracks on the single rail line extending west of the  
junction at Lena, Austria, through Innsbruck, to the Swiss frontier, and/or the refusal of

*Does he go  
provide authority for  
all this?*

Hungary added more cars and more passengers to the train. By the time the train reached Austria, heading toward neutral Switzerland on the southernmost Austrian rail line extending through Klagenfurt, Villach, and Spittal, it was carrying over 100 automobiles, dozens of horses, hundreds of passengers, and a countless quantity of personal items ranging from fur coats to children's toys, household goods, food, jewelry, furniture, war materials, and petroleum products. The size of the train made it almost impossible to avoid detection and at least one retreating German column stumbled upon the train and looted one section, taking mostly perishable items and 500 chrome cased watches. At least two American aircraft strafed the train as well. Damaged rail cars were abandoned, and many of the cars were repacked. Evidence is strong that most of the Hungarian soldiers and civilians looted individual cars, stealing contents for their own possession or to trade for food from local inhabitants as the train headed west. It seemed that whenever the train stopped, local civilians pilfered rail cars too. Many Hungarian soldiers deserted and one Hungarian official, Dr. Arpad Toldi, who allegedly was the trainmaster, was said to have fled for Switzerland taking anywhere from "two boxes of gold bullion" up to "approximately 50 cases of Gold and Diamonds" after turning the train and its inventory over to another subordinate official.<sup>70</sup>

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Swiss authorities near the frontier village of Buchs to allow the train into the country.

Once passage into Switzerland became impossible, the train reversed direction, traveling back towards the southeast with its ultimate destination unknown. During this journey at some point in late April, approximately 29 railcars were detached and left on the side at Hopfgarten, Austria. The remainder of the train continued toward the southeast, eventually coming to rest on May 2<sup>nd</sup> partially hidden in a tunnel near the villages of Bockstein and Bad Gastein, Austria. On the advice of their consulate, Swiss railroad officials contacted members of the U.S. 3<sup>rd</sup> Infantry Division, informed them of the existence of the train, which was then captured in the rail tunnel at Bockstein. When U.S. Army soldiers arrived on May 16, 1945, they discovered 52 train cars and a party of 136 men, women, and children, still under a company-sized Hungarian military guard. Of the 52 cars, 29 were reported by the leader of the group to contain valuables taken from the villages and cities of Hungary. As the U.S. Army officer in charge reported, "the Hungarians desire to turn over the entire train to American authorities." According to another U.S. Army report of May 21, 1945, a 24-hour-a-day guard was posted by A Company, 15<sup>th</sup> Infantry Regiment, U.S. 3<sup>rd</sup> Infantry Division. The unit immediately made a rough inventory of the contents of the train by boxcar, listing the number of each car and its general contents. The soldiers discovered silver, museum pieces, gold bullion, watches, cloth material, foreign currencies of many denominations, carpets, and diamonds. A special three-man-guard was placed on the diamonds, precious metals, and money. The greater part of the trains' contents, however, consisted of rugs (4,900 in number) and cases of silverware (approximately 850). A memorandum contracted between the Nazi German

Government and the Hungarians, produced by Hungarian fascist capture, clearly established that the train and its contents belonged to the Government or the fascist government of Hungary.<sup>71</sup>

① right - because that  
govt had looted it?  
Does for 71 doc  
Support?

The only thing that was certain about the contents of the material seized by the 15<sup>th</sup> Infantry Regiment, U.S. 3<sup>rd</sup> Infantry from the Hungarian National Bank, including state gold reserve monetary certificates and stocks, and the contents of individual safe deposit boxes, or consisted of large amounts of clothing, rugs, and personal goods belonging to a far greater number of people than were on the train when captured. A further U.S. Army report confirmed that in addition to the above items, the train contained furs, watches, cameras, clothing, and miscellaneous personnel property. Indeed, based on the interrogation of Hungarian fascist officials at the time of capture, in particular Dr. Avar Laszlo, who was ordered by the Ministry of the Interior to take over the train as it prepared to leave Hungary and the enemy military guards later interrogated by USFA Military Intelligence Service (MIS) officers, it was determined that a significant, if not overwhelming portion of the trains' contents consisted of property taken from Hungarian Jews by order of the Hungarian fascist government. These goods were obtained under duress and were deposited in the vaults of the National Bank in Budapest in the spring and summer of 1944 as the government began deporting Jews to the Nazi extermination camp at Auschwitz Birkenau in Poland.<sup>72</sup> Existing records are unclear as to whether this personal property could be properly identified as to individual ownership at the time of capture.

is it this the  
whole point?



**Government and the Hungarians, produced by Hungarian fascist officials at the time of capture, clearly established that the train and its contents belonged to the Royal Hungarian Government or the fascist government of Hungary.<sup>71</sup>**

**The only thing that was certain about the contents of the train was that almost all the material seized by the 15<sup>th</sup> Infantry Regiment, U.S. 3<sup>rd</sup> Infantry Division, either came from the Hungarian National Bank, including state gold reserves, currency, coins, monetary certificates and stocks, and the contents of individual safe deposit boxes, or consisted of large amounts of clothing, rugs, and personal goods belonging to a far greater number of people than were on the train when captured. A further U.S. Army report confirmed that in addition to the above items, the train contained furs, watches, cameras, clothing, and miscellaneous personnel property. Indeed, based on the interrogation of Hungarian fascist officials at the time of capture, in particular Dr. Avar Laszlo, who was ordered by the Ministry of the Interior to take over the train as it prepared to leave Hungary and the enemy military guards later interrogated by USFA Military Intelligence Service (MIS) officers, it was determined that a significant, if not overwhelming portion of the trains' contents consisted of property taken from Hungarian Jews by order of the Hungarian fascist government. These goods were obtained under duress and were deposited in the vaults of the National Bank in Budapest in the spring and summer of 1944 as the government began deporting Jews to the Nazi extermination camp at Auschwitz-Birkenau in Poland.<sup>72</sup> Existing records are unclear as to whether this personal property could be properly identified as to individual ownership at the time of capture.**

Apparently within days of its discovery and capture, the Hungarian national gold reserves carried by the train were off-loaded and moved to Frankfurt, but kept separate from the Nazi German gold reserves secured there. The train was then moved to the Austrian village of Werfen and the original guards from the 3<sup>rd</sup> Infantry Division were replaced by soldiers of the 1<sup>st</sup> Battalion, 327<sup>th</sup> Glider Infantry Regiment, U.S. 101<sup>st</sup> Airborne Division. Custody was then transferred to the U.S. 42<sup>nd</sup> Infantry Division, and by July 13, 1945, to military intelligence officials (G-2), USFA. Once in the Property Control Warehouse in Salzburg, the Hungarian Gold train or "Werfen" train property, as well as any other loot captured by U.S. forces in Austria, again came under the control of the 42<sup>nd</sup> Infantry Division whose members comprised subsequent guard details. The contents of the train, therefore, changed hands several times during the several months following its capture. Yet nothing in Army reports indicates that this property was ever left without an armed military guard of some size following its capture.<sup>73</sup>

While nearly every source cites a solitary Hungarian Gold Train leaving Budapest in late 1944, U.S. Army reports contain references to other trains containing Hungarian goods as well. There are at least three different locations reported as being the source for property all allegedly coming from the Hungarian Gold Train. Although the surviving record is unclear, this might mean that smaller convoys followed the larger train, or that some material found may not have had any association with the Hungarian train at all but was only declared of "alleged Hungarian origins" at some later date. A third possibility is that the original Hungarian Gold Train was divided into several parts after failing to gain entry to Switzerland. It is known that several rail cars were abandoned along sidings on

the route west and that some individuals, who originally were passengers on the train, tried other means of getting themselves and their possessions away from the Soviets into Switzerland. For example, a major in the U.S. Army stated in a June 1945 report that 28 rail cars of silverware allegedly of Hungarian origins were found at the Austrian village of Hopfgarten on or around April 28, 1945. He discovered that one of the 28 rail cars contained 100-pound boxes of dynamite; while the remaining 26 cars consisted of the confiscated property of Hungarian Jews; 18 contained 1,360 cases of silverware; and eight cases of silverware and valuable rugs.<sup>74</sup> The Hungarian fascists on this particular train included the Hungarian Minister of the Interior, with the Hungarian fascist government; and Jaross Andor, Hungarian minister without portfolio, 1938-1940 and minister of the interior until August 1944; Franz Vajta, Consul General, 1<sup>st</sup> Class at the Hungarian Embassy in Vienna; Dr. Elek Dulin, Ministerial Counselor in the Ministry Presidium; and Dr. Lajos Berecz, who worked in Office of Foreign Affairs Secretariat as Counselor. All of these officials were termed "bad characters" by U.S. Army leaders and were scheduled for arrest and detention by the U.S. Army Provost Marshal on possible war crimes charges.<sup>75</sup>

In any event, the Hungarian Gold Train for certain, and the property found at Hopfgarten were subsequently moved under Hungarian guard to Werfen, Austria. The train was then taken up the line and the tracks to the north were cleared and was unloaded on to the Government Property Control Warehouse. Here it was again

fn 74  
do we have  
these docs?

Hungarian armed guards?  
I thought they were  
the enemy?

the route west and that some individuals, who originally were passengers on the train, tried other means of getting themselves and their possessions away from the Soviets into Switzerland. For example, a major in the U.S. Army stated in a June 1945 report that 26 to 28 rail cars of silverware allegedly of Hungarian origins were left on a siding near the Austrian village of Hopfgarten on or around April 28, 1945. A later investigation discovered that one of the 28 rail cars contained 100-pound bombs; another held 50 cases of dynamite; while the remaining 26 cars consisted of the confiscated property of Hungarian Jews; 18 contained 1,360 cases of silverware; and eight cars contained eight cases of silverware and valuable rugs.<sup>74</sup> The Hungarian fascists accompanying this particular train included the Hungarian Minister of the Interior, who clearly associated it with the Hungarian fascist government; and Jaross Andor, Hungarian minister without portfolio, 1938-1940 and minister of the interior until August 1944; Franz Vajta, Consul 1<sup>st</sup> Class at the Hungarian Embassy in Vienna; Dr. Elek Dulin, Ministerial Counselor in the Ministry Presidium; and Dr. Lajos Berecz, who worked in Office of Foreign Affairs Secretariat as Counselor. All of these officials were termed "bad characters" by U.S. Army leaders and were scheduled for arrest and detention by the U.S. Army Provost Marshal on possible war crimes charges.<sup>75</sup>

In any event, the Hungarian Gold Train for certain, and possibly the 28 rail cars found at Hopfgarten were subsequently moved under Hungarian and American armed guard to Werfen, Austria. The train was then taken up the line to Salzburg as soon as the tracks to the north were cleared and was unloaded on to the ground floor of the Military Government Property Control Warehouse. Here it was again inventoried prior to being

turned over to Lieutenant Colonel Homer K. Heller, the Property Control Officer, Military Government, Salzburg, by late August 1945. Heller took possession of the property within the occupied territory of Austria owned by the residents of Hungary. As ownership of much of the property was uncertain, both as to the means by which it was acquired or at this early date it was thus declared under this decree to be confiscated. Surviving records do not reveal any other official making such a determination later than that of Lieutenant Colonel Heller in August 1945. In spite of later allegations, there is no evidence to support the assertion that Lieutenant General Mark W. Clark, USFA Commander who was not yet even in Austria, or that the 42<sup>nd</sup> Infantry Division commander, made the determination that the Hungarian Gold Train was unidentifiable. The documentary support the conclusion that this determination was made at a time by an unknown officer or official whose actions were unrecorded made when the property arrived at the Salzburg Property Control Office in the summer by officers of the rank of lieutenant colonel or below.<sup>76</sup>

but just a moment ago stuff was identified as "confiscated property of Hungarian Jews".

OK, so what?  
Do we say that Clark or Collins themselves made the determination?

The conclusion that the contents of the Hungarian Gold Train was simple to reach. The train was under the armed guard of German personnel at the time of capture. Some rail cars contained weapons and cargo, and carried members of the Hungarian fascist government. Those at the scene were quick to admit the Hungarian origins and government ownership of the property.

again - how can it be "confiscated" if we know it was confiscated from Jews?

turned over to Lieutenant Colonel Homer K. Heller, the Property Control Officer, Military Government, Salzburg, by late August 1945. Heller took possession of the property under the provisions of Article 1, Section 1b of Decree No. 3, Military Government Austria, as property within the occupied territory of Austria owned by the government, nationals, or residents of Hungary. As ownership of much of the property on the train was unknown or uncertain, both as to the means by which it was acquired or as to actual ownership, even at this early date it was thus declared under this decree to be captured enemy materiel. Surviving records do not reveal any other official making such a determination prior to or later than that of Lieutenant Colonel Heller in August 1945. In spite of later allegations, there is no evidence to support the assertion that Lieutenant General Mark Clark, the USFA Commander who was not yet even in Austria, or that Major General Harry Collins, the 42<sup>nd</sup> Infantry Division commander, made the determination that the material from the Hungarian Gold Train was unidentifiable. The documentary evidence does strongly support the conclusion that this determination was made at either the point of capture by an unknown officer or official whose actions were unrecorded or that the decision was made when the property arrived at the Salzburg Property Control Warehouse later in the summer by officers of the rank of lieutenant colonel or below.<sup>76</sup>

The conclusion that the contents of the Hungarian Gold Train were captured enemy materiel was simple to reach. The train was under the armed guard of Hungarian military personnel at the time of capture. Some rail cars contained war materials, as well as other cargo, and carried members of the Hungarian fascist government. Hungarian officials at the scene were quick to admit the Hungarian origins and government ownership of the

trains' contents and because it contained materials belonging to an Axis ally then at war with the United States, the train was quite correctly declared to be an enemy possession and therefore captured enemy materiel. From the moment U.S. Army forces took control of the Hungarian Gold Train and its contents, they became the legal property of the United States Government. Like all property belonging to the Wehrmacht or Third Reich, the contents of the Hungarian Gold Train were also captured enemy materiel, regardless as to whether the contents of the train consisted of art work, candle sticks, or hand grenades.<sup>77</sup> As such, the materials could be used by U.S. military personnel, either directly or indirectly, in the performance of their occupation duties, be it thousands of displaced persons in Austria or in reestablishing assisting the Austrian people themselves. The U.S. Army dealt with the Hungarian Gold train in a similar manner as other captured enemy property by depositing it in the Military Government's Property Control Division, where it was mixed with other property of the same classification found in Germany and Austria by U.S. forces in the closing days of the war before depositing it in the established. Intermixed with other property, including that from the Mauthausen Concentration Camp, there is evidence to suggest that the Werfen train contents were at one point clearly identifiable as being part of the Hungarian Gold Train shipment after the initial off-loading. Yet as one report stated a year after the property arrived in Salzburg, the train's contents had become inextricably intermingled with other seized property and could not be sorted out again because of the amount of material in the warehouse and the shortage of personnel.<sup>78</sup>

in other words -  
① We know since it was looted from victims  
② We treated it the same as hand grenades

trains' contents and because it contained materials belonging to an Axis ally then at war with the United States, the train was quite correctly declared to be an enemy possession and therefore captured enemy materiel. From the moment U.S. Army forces took control of the Hungarian Gold Train and its contents, they became the legal property of the United States Government. Like all property belonging to the Wehrmacht or Third Reich, the contents of the Hungarian Gold Train were also captured enemy materiel, regardless as to whether the contents of the train consisted of art work, candle sticks, or hand grenades.<sup>77</sup> As such, the materials could be used by U.S. military personnel, either directly or indirectly, in the performance of their occupation duties, be those duties assisting the thousands of displaced persons in Austria or in reestablishing the Austrian economy, or in assisting the Austrian people themselves. The U.S. Army dealt with the materials from the Hungarian Gold train in a similar manner as other captured enemy materiel property, depositing it in the Military Government's Property Control Warehouse where it became mixed with other property of the same classification found in Germany and brought to Austria by U.S. forces in the closing days of the war before depositories in Germany were established. Intermixed with other property, including that from the Mauthausen Concentration Camp, there is evidence to suggest that the Werfen train contents were at one point clearly identifiable as being part of the Hungarian Gold Train shipment after the initial off-loading. Yet as one report stated a year after the property arrived in Salzburg, the train's contents had become inextricably intermingled with other seized property and could not be sorted out again because of the amount of material in the warehouse and the shortage of personnel.<sup>78</sup>



It is certain, however, that the Hungarian Gold Train property was one portion of an already large inventory of similar materials in the property control warehouse and once it was unloaded, efforts to identify any single item became very difficult if not impossible. Efforts to sort and identify obviously became more difficult as time went on, as memories dimmed, and as more U.S. soldiers went home. According to a March 1946 inventory of just housewares, the Property Control Warehouse contained 5,225 miscellaneous rugs, and 100 odd unopened boxes, trunks, suitcases, etc., of chinaware containing material ranging in value and description from cheap tea sets to expensive dinner sets, some probably complete and some obviously incomplete. Some containers, the report continued, contain miscellaneous vases and art objects. There are approximately 850 miscellaneous containers of silverware. Much of this consists not only of plated and sterling eating utensils, but of flatware, art objects, church paraphernalia, and so forth. There are about 200 fitted chests of table silver, most of it probably sterling. A later report from May 1946 stated that the shortage of personnel prevented a more detailed inventory, but cars routed from Hungary did contain property of unknown ownership and origins consisting of "approximately 800 cases assorted silverware; 440 cases assorted porcelain and china; 152 cases assorted furs; 300 cases assorted table silverware; 140 cases assorted linens and clothing; 100 cases assorted watches and jewelry; 80 cases miscellaneous items; bales, assorted rugs." As one property control office reported, although all of these materials were stored in the U.S. Military Government Warehouse in Salzburg as of May 29, 1946, no claims had been made for any of it.<sup>79</sup>

Yet as had been the case with earlier caches of captured enemy materiel, it was decided "that if certain of the Werfen train property is required for the usual needs of the Occupation Forces, it could be requisitioned in accordance with standing SAE instructions."<sup>80</sup> According to U.S. Army procedures, such requisitioning required a signed and duly authorized receipt and/or requisition form from any personnel needing to use such materials in the performance of their duties. In this manner, the property found on the Hungarian Gold Train was obtained and used on loan by U.S. military personnel in the furnishing of billets and for general daily household use through legally accepted processes. All such property had to be officially requisitioned, "controlled by a Property and Control Officer who would establish rules under which the property would be given out in accordance with standing SAE instructions and who would be responsible for issuing the property, and for an accountability and return when property was no longer needed." As one officer later demonstrated in a July 1947 report to his superior, "Attached are true copies of receipts received in exchange for this property and signed for in almost every case by the Aide de Camp of the General who has requested the use of this property. The originals of these receipts are filed in the safe of the Property Control Office, *Land Salzburg*."<sup>81</sup>

By all surviving accounts, it is manifest that every effort was made to protect and account for property of the Hungarian Gold Train as far as was possible in the chaotic state of Austria at the end of the war and amid a demobilizing U.S. Army that was always short of personnel. This process was on going and was undertaken in good faith and all seriousness. As U.S. Army needs for billets and furnishings decreased, for example, efforts

were made by USFA and lower echelon property control and real estate officers to gather, inspect, inventory, and restore the assets of the Hungarian Gold Train, along with other property. In regards to the alleged Hungarian property, as early as June 1946, instructions were delivered to USFA subordinate commands,

that no further items from the Werfen train would be assigned for the use of family billets or for any other purpose, that the properties which had been previously released on memorandum of receipt should be properly requisitioned in accordance with current SAE instructions and that, although that office believes that measures previously taken for the protection of the loaned furnishings, had been adequate, it was deemed advisable to inspect the properties to ascertain if further precautions were necessary for their security.<sup>82</sup>

Further, as part of standard operating procedures concerning property that was possibly going to be the subject of future claims and restitution, such as that of the Werfen or Hungarian Gold Train, soldiers were informed that "proper records of accountability are maintained by the military community commanders" and that "the individual using these items is responsible for them." The memo continued that "it is understood that any and all of these items are subject to recall at any time for purposes of restitution to rightful owners, if ordered by your office," and that "use of these items can be considered a military necessity." For soldiers who were unclear as to the regulations governing the use of this loaned material, it was suggested that coordination with G-4, USFA, may be of assistance.<sup>83</sup>

A considerable amount of the common use property of insignificant individual value found on the Werfen or Hungarian Gold Train was loaned to U.S. Army soldiers to use temporarily in their offices and billets on the understanding that it was to be cared for properly during that time and turned in on demand should a claim for restitution be made.

Much of the remaining contents of the Hungarian Gold Train consisted of gold, silver, diamonds, and art work that was clearly very valuable and identifiable as belonging to the Hungarian nation, although purloined by fascist officials seeking to take it to Switzerland for purposes unknown. In the case of \$32 million in gold discovered in the possession of fascist Hungarian officials on the train and elsewhere in Austria by elements of the U.S. 3<sup>rd</sup> Infantry Division, ownership was beyond doubt. On May 16, 1945, all of this gold was shipped under heavily-armed guards to the U.S. Army-controlled Foreign Exchange Depository (FED) in Frankfurt, Germany, the central, highly-secure, main collection point for all gold, silver, diamonds, and other monetary assets looted from nearly every country of Europe by Nazi Germany during the war years. The shipment of Hungarian gold to the FED was a deviation from earlier Allied plans that had stipulated that any assets seized in Austria were to remain in that country pending their final disposition. In this case, as in others, Allied policies and prior agreements changed as the postwar picture became clearer and problems became more focused. In addition, while it had been the policy of the Allies to restore the governments and economies of Austria and Germany as rapidly as possible using whatever resources were available, the changing situation in Europe now prompted another change of course. The U.S. Army, following new guidance from the U.S. State and Treasury Departments, and in compliance with Tripartite Allied agreements concerning restitution of national gold reserves, directed that all captured gold be centrally located in one depository before being returned to its country or origin. It seemed very reasonable to simply add another \$32 million in Hungarian gold to the \$300 million in gold already

collected in Frankfurt, especially when the personnel and facilities were there to secure and account for the valuables.

While gold and silver was accounted for in Frankfurt, the personal property of unknown unidentifiable origins and ownership was left in the property control warehouse in Salzburg. By 1946, however, the United States unilaterally resolved to return the Hungarian gold reserves then in Frankfurt to bolster Hungary's weak economy, and at that time, Lieutenant General Lucius Clay saw the opportunity to rid the U.S. Army of other property management responsibilities. He proposed returning the rest of the Hungarian assets and personal property that was being held everywhere by the U.S. Army. Regrettably, the French representative on the Allied Control Council objected and the initiative died.<sup>84</sup> However, when ownership was manifest and after the necessary claim and restitution paperwork was completed, valuables were promptly restored to the postwar, non-fascist Hungarian government. Restitution procedures in the case of the \$32 million in gold bouillon were completed by August 5, 1946, and all Hungarian gold held in Frankfurt was returned to Budapest.<sup>85</sup> Over 6,700 silver ingots, 344 boxes of coins, and 38 boxes of scrap silver worth \$4 million, and art objects valued at \$21 million, were returned to Hungary by the United States less than one year later in April 1947.<sup>86</sup>

In the case of artwork found on the Hungarian Gold Train where ownership and exact provenance were more difficult to establish due to the many national origins of the artists, and where such evaluations and determinations were clearly outside of typical military expertise as it existed in the summer of 1945, the U.S. Army, in accordance with instructions from the U.S. Government and in agreement with Austria, turned over